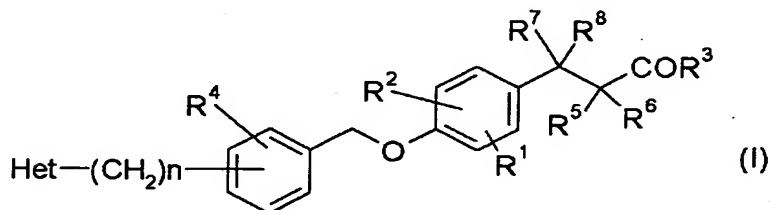


## Abstract

The present invention aims at provision of a novel compound having a GPR40 receptor function modulating action, which is useful as an insulin secretagogue, an agent for the prophylaxis or treatment of diabetes and the like. The compound represented by the formula:



wherein each symbol is as defined in the description, a salt thereof, and a prodrug thereof of the present invention unexpectedly have a superior GPR40 receptor agonistic activity and superior properties as pharmaceutical products such as stability and the like, and can be safe and useful pharmaceutical agents as agents for the prophylaxis or treatment of GPR40 receptor-related pathology or diseases in mammals.